



State of Connecticut

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Testimony
Health Insurance Rate Increase Hearing
Senate Republican Leader Kevin C. Kelly
August 21, 2023

Commissioner Mais,

Thank you for the opportunity to testify against the proposed double digit health insurance rate hike requests averaging over 12% submitted to the Insurance Department for individual and small business health insurance plans that start in 2024, and cover roughly 188,000 residents.

These proposed rate increases are staggering and infuriating. They show not only the lingering damage of inflation, but also the damage of CT Democrats' repeated refusal to address rising health care costs. Connecticut is now one of the most overtaxed and unaffordable states for everything from health care to housing. As other states are grappling with proposed health insurance rate increases averaging 6%, Connecticut residents are facing increases averaging over 12%, twice the national average.

Connecticut residents cannot afford more expensive health care costs. Inflation has driven up the price of everything including insurance premiums which are now the size of mortgage payments. We urge state officials and regulators to consider the impact of those rate increases on families who are struggling and living in a state that grows increasingly unaffordable each day.

I also urge lawmakers, state officials, advocates, and the public to recognize the need for action and collaboration to drive down the costs of health care and make quality care accessible and affordable for all residents. Democrats passed the Affordable Care Act promising affordable, accessible, quality health care. After a decade of Democrat controlled leadership in Hartford that promise has never been delivered. While some progress was finally made last year involving health care cost growth benchmarking; an idea of former Massachusetts Republican Governor Charlie Baker, many more policies to drive down the costs of health care were rejected by majority Democrats who refused to even hold a vote on these proposals. Year after year Connecticut Republicans offer comprehensive plans to reduce the costs of health care and provide real health insurance premium relief. And year after year Connecticut Democrats refuse to act. We appreciate today's public hearings on these rate increases and the opportunity to testify against rising costs, but more than that, Connecticut families need legislative action at the state level.

The drastic rate filings clearly show that one of the biggest cost drivers is the continued expansion of government run Medicaid which makes health care prices for every family buying private health insurance more expensive.

The filing summary for ConnectiCare Benefits plans bears out the risk:

"Congress signed the Consolidated Appropriations Act into law, decoupling the Medicaid continuous enrollment provision from the Public Health Emergency. The "unwinding" process began in March of 2023.

States are required to initiate all post enrollment verifications, redeterminations, and renewals within 12 months. This will result in a portion of the current Medicaid population losing Medicaid coverage and transitioning to the Individual Exchange Market. The introduction of these members is expected to increase the overall cost of this population. An adjustment is estimated and built into 2024 rates."

The rate filings also show the damaging impact of the majority's continuous focus on expanding Medicaid as their solution to health care affordability. They prioritize expanding Medicaid, a lesser quality government-run system, instead of expanding access and increasing affordability of high-quality care for all people, another one of the ACA's promises. And their actions expanding Medicaid drives up the costs of health care even further for everyone else who has private health insurance.

The Oxford Health Insurance [filing summary](#) attributes rising costs in part to:

"Cost shifting from the public sector to the private sector—Reimbursements from the Center for Medicare and Medicaid Services (CMS) to hospitals do not generally cover all the cost of care. The cost difference is being shifted to private health plans. Hospitals typically make up this reimbursement shortfall by charging private health plans more."

Connecticut Democratic legislative leaders favor scrapping the current free-market system and replacing it with a government run public option program. Those in power have refused to even consider other proven alternatives and some Democrats have even proudly taken credit for blocking our plans to reduce costs. Democrats' partisan politics have repeatedly killed cost-saving health care affordability reforms, allowing out-of-control health insurance premium costs to go unchecked, resulting in the Affordable Care Act's protections going unfunded and unused.

The solution to CT's unaffordability is not more government. A government run health care system would mean lesser quality care, more taxes on working- and middle-class residents, and would jeopardize over 50,000 good paying jobs in CT. Government run health care programs, such as Medicare, Medicaid or the VA system, are not the gold standard. Most people on Medicare need a private insurance supplement to obtain their needed level of care—supplements which would go away under a public option.

A Better Way

Connecticut Senate Republicans have a Better Way to affordable health care and a [comprehensive plan](#) to reduce health care costs. In recent years, we have proposed the following:

- Reduce health insurance premiums by 30% for the average family by using a reinsurance framework established by the Affordable Care Act and which can reduce premiums by \$7500 annually, or \$550 per month
- Address prescription drug affordability by tackling practices that drive up the costs of prescription drugs by examining pharmacy benefit managers (PBMs) and practices such as spread pricing.
- Maximize pool purchasing with other states for prescription drugs and health care supplies.
- Utilize transparency and data sharing to drive down costs.

I am here today to both urge state regulators to consider the true impact on families who are already struggling, and to demand that the majority party in the state of Connecticut stop blocking the reforms we need to make health care affordable and accessible.

Thank you again for the opportunity to speak out on behalf of every working- and middle-class family in Connecticut. All families deserve access to quality health care they can afford. The rising costs of health care in our state have gone ignored for far too long. CT is not affordable, and rising health care costs are yet another burden our families cannot take.